Income inequality

The idea of **income inequality** refers to a considerable disparity in the distribution of earnings among individuals, groups, populations, social classes, or entire countries. The term *income* includes both the money received as Salasy/wage, and eamed from any form of investment.

Related forms of inequality

Income inequality is often accompanied by other forms of inequality such as:

- **Pay inequality**, which refers to payment from employment. Wages are determined by the labour market: if a large number of workers (*high supply*) can offer skills that few employers need (*low demand*), the pay that is going to be offered is low. Conversely, if only a few workers can offer the needed skills, the demand increases as well as the pay;
- **Wealth inequality**, which refers to all the properties owned by a person or a household, including real estate assets, shares or commercial goods, which may also contribute to income.

Causes of income inequalities

There are several factors contributing to income inequality, such as:

- **geographical location**: wages in poor regions are usually lower than in rich ones. Wealthy neighbourhoods have larger concentrations of white collar and managerial class workers, whereas poor areas have a much larger concentration of blue-collar workers;





- **gender**: even though the situation can vary depending on race and location, women are noticeably paid less than their male co-workers;
- **education**: the level of education is often proportional to a worker's wage; through education people acquire more advanced skills that can help them get a better paid job;
- **growth in technology:** in many jobs, such as manufacturing and packaging, machinery substitutes humans, causing more unemployment, particularly among unskilled workers.

The impact of economic inequalities

The income gap has a deep impact on:

- people's living conditions;
- education opportunities for children from poor backgrounds;
- economic growth, due to the lower spending capacity of large sections of the population;
- people's security, because it can generate conflicts and criminality;
- minorities, who are even more discriminated.

Fighting poverty

High income inequality is the main cause for persistent poverty in many countries within Eastern and Southern Asia as well as in Sub-Saharan Africa. The situation has worsened due to the Covid-19 pandemic, which has badly endangered the livelihood of millions of people worldwide. The international community is well aware of the urgent need to tackle poverty, which represents the first of the 17 Sustainable Development Goals of the 2030 Agenda.

asset: *risorsa, bene*
conversely: *al contrario*
earnings: *entrate, reddito*
income: *entrate, reddito*
livelihood: *mezzi di sostentamento*
real estate: *immobiliare*
to tackle: *contrastare*
wrapping: *carta per confezionare*

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1 Match the words given below to their correct definition.

blue collar workers • household • investment • white collar worker • employer • unskilled • income • packaging

1. The process of putting money into a business with the goal of generating income. .....
2. Lacking technical training. .....
3. The process of protecting a product using a container or wrapping. .....
4. A sum of money including any wages, interest payments or rent received in a given period. .....
5. Name given to people who perform manual labour. .....
6. A person who performs professional, desk, managerial or administrative work. .....
7. People who live under the same roof. .....
8. An individual or organisation that hires and pays people for their work. .....

2 FIRST Fill in the gaps transforming the words in brackets into a suitable form.

SDG 10 – Reduce Inequality within and among Countries: What Exactly is this Goal?

Income inequality around the world is on the rise. The **1.** ..... (rich) 10% of the population earns 40% of the total world income, while the poorest 10% hold between 2% and 7%. At the same time, the inequality between the rich and the poor within several world countries is also increasing. In **2.** ..... (development) countries, in particular, internal inequality increased by 11% in the period between 1999 and 2010. These differences affect income **3.** ..... (equal) among people, access to decent work and health and education services. In addition, there are some groups of vulnerable people, such as migrants or the **4.** ..... (able), who suffer an even greater disparity regarding opportunities. Inequality is an obstacle to **5.** ..... (society) and economic development, increasing global poverty and discouraging people's spirit of **6.** ..... (achieve) and self-esteem. *SDG 10* aims to reduce disparities in income and opportunities between countries as well as within them. It aims to reduce poverty in the more **7.** ..... (advantage) areas, encouraging social, economic and political **8.** ..... (include) for everyone by promoting policies at an international level to improve **9.** ..... (regulate) and control of the markets and **10.** ..... (finance) institutions. Moreover, it should facilitate the responsible and safe migration of migrants.

10 REDUCED INEQUALITIES

Adapted from: *https://www.globalcompactnetwork.org/en/the-un-global-compact-*

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